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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In Re	§	Chapter 11
	§	
AEROPOSTALE, INC., <i>et al.</i> ,	§	Case No. 16-11275 (shl)
	§	(Jointly Administered)
Debtors. ¹	§	
	§	Objection Deadline: July 22, 2016-12:00 pm
	§	Hearing: July 25, 2016 – 2:00 pm EDT

**LIMITED OBJECTION OF LIT-NORTHEND, LLC TO DEBTORS' MOTION FOR
AN ORDER (I) APPROVING DISCLOSURE STATEMENT; (II) APPROVING
NOTICE OF DISCLOSURE STATEMENT HEARING; (III) SHORTENING
NOTICE FOR DISCLOSURE STATEMENT OBJECTION DEADLINE,
DISCLOSURE STATEMENT HEARING AND PLAN OBJECTION DEADLINE;
(IV) ESTABLISHING A RECORD DATE; (V) ESTABLISHING NOTICE AND
OBJECTION PROCEDURES FOR CONFIRMATION OF THE PLAN;
(VI) APPROVING SOLICITATION PACKAGES AND PROCEDURES FOR
DISTRIBUTION THEREOF; (VII) APPROVING THE FORM OF BALLOT AND
ESTABLISHING PROCEDURES FOR VOTING ON THE PLAN;
(VIII) APPROVING THE FORM OF NOTICE TO NON-VOTING CLASSES
UNDER THE PLAN; (IX) APPROVING SALE AND BIDDING PROCEDURES
FOR SALE OF SUBSTANTIALLY ALL OF DEBTORS' ASSETS PURSUANT TO
THE PLAN; (X) APPROVING PROCEDURES FOR ASSUMPTION AND
ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED
LEASES; (XI) APPROVING RELATED NOTICES;
AND (XII) GRANTING RELATED RELIEF**

TO THE HONORABLE UNITED STATES BANKRUPTCY COURT:

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor's federal tax identification number, as applicable, are as follows: Aeropostale, Inc. (3880); Aeropostale West, Inc. (7013); Jimmy'Z Surf Co., LLC (0461); Aero GC Management LLC (4257); Aeropostale Procurement Company, Inc.. (8518); Aeropostale Licensing, Inc. (8124); P.S. from Aeropostale, Inc. (5900); GoJane LLC (4923); Aeropostale Canada Corp. (N/A); Aeropostale Holdings, Inc. (7729); and Aeropostale Puerto Rico, Inc. (6477). The Debtors' corporate headquarters is located at 112 West 34th Street, 22nd Floor, New York, NY 10120.

LIT-NORTHEND, LLC (“LIT”) lodges the following objections to *Debtors’ Motion for an Order (1) Approving Disclosure Statement; (2) Approving Notice of Disclosure Statement Hearing; (3) Shortening Notice for Disclosure Statement Objection Deadline, Disclosure Statement Hearing and Plan Objection Deadline; (4) Establishing a Record Date; (5) Establishing Notice and Objection Procedures for Confirmation of the Plan; (6) Approving Solicitation Packages and Procedures for Distribution Thereof; (7) Approving the Form of Ballot and Establishing Procedures for Voting on the Plan; (8) Approving the Form of Notice to Non-Voting Classes Under the Plan; (9) Approving Sale and Bidding Procedures for Sale of Substantially All of Debtors’ Assets Pursuant to the Plan; (10) Approving Procedures for Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; (11) Approving Related Notices; and (12) Granting Related Relief* (the “Motion”) and in support thereof would show as follows:

PRELIMINARY STATEMENT

1. The Motion, accompanying disclosure statement, and other supporting documentation provide contradictory information and create confusion with respect to Debtors’ and landlords’ notice and objection obligations for assumption/assignment/sale of leases and cure of monetary defaults. Further the timetable set out in these documents may violate landlords’ right to due process in in that they deny landlords (including LIT) the ability to effectively respond to claims that an assignee or purchaser can provide adequate assurance of future performance to the landlord counterparties. As more fully set forth below, LIT lodges this limited objection to the Motion and disclosure statement and requests that any order granting the Motion and approving the Disclosure statement provide affected landlords with clear milestones

and deadlines as well as the ability to do due diligence and effectively respond to cure notices and notices of assumption/assignment of leases.

THE PARTIES AND THE LEASE

2. LIT leases approximately 315,000 square feet of warehouse space located at 2 Brick Plant Road, South River, New Jersey (the “Premises”) to Debtor Aeropostale, Inc. for Debtors’ east coast distribution facility through a lease that is scheduled to expire on May 31, 2021. The current rent due under this lease is \$169,999.25 per month.

OBJECTIONS, ARGUMENT AND AUTHORITIES

3. In their effort to pull together a disclosure statement plan and supporting documentation under the accelerated milestones set forth in the debtor-in-possession facility, Debtors appear to have created deadlines that do not make any sense.

4. According to the Motion, Debtors have requested that the deadline for bids to purchase their assets be August 18, 2016 and that qualified bidders will be notified by 5:00 p.m. on August 19, 2016 (Motion ¶¶8 and 60(b),(c), and (d)).

5. In addition, according to the Motion and disclosure statement, Debtors are to notify counterparties to unexpired leases of amounts it believes are necessary to cure defaults pursuant to 11 U.S.C. § 365(b)(1)(A) no later than August 9, 2016 (Motion ¶¶64(a) and disclosure statement section I(2)). The Motion also states that Debtors shall file and serve on counterparties a notice of assumption, assignment and sale not later than August 22, 2016 (Motion ¶¶64(b)).

6. The Motion then provides that the counterparties are to file “objections to (a) the proposed assumption, assignment, and sale of the Assumed Contracts [parentheticals deleted] and (b) if applicable, the proposed Cure Costs [parentheticals deleted] no later than August 19, 2016 at 12:00 p.m. (Eastern Time).”(Motion ¶¶64(c)).

7. As a result, the Motion requests an impossible deadline for lease counterparties to object to “assumption and assignment” (August 19) which is before the deadline established for notice of what leases will be assumed assigned and/or sold (August 22). LIT objects to this deadline language and requests that it be clarified.

8. Moreover, the proposed order attached to the Motion creates further confusion as it varies from the relief requested in the Motion and the information in the disclosure statement. The form of order requires that counterparties file objections to the Notice of Assumption and Assignment, and include in same a statement of cure costs, no later than 9:00 a.m. on August 23, 2016. This varies from the representations made in the Motion (see paragraph 7 above) and section I(2) on page 36 of the disclosure statement which requires objections to the proposed Cure Obligations to be filed within 10 days after “service of notice of Debtors’ proposed assumption and associated Cure Costs”, the deadline for which appears to be August 9, 2016.

9. LIT requests that these contradictory and confusing deadlines be revised so that all parties to unexpired leases will know what is expected of them.

10. Rule 6006(a) of the Federal Rules of Bankruptcy Procedure provide that proceeding to assume, reject or assign an unexpired lease, other than as part of a plan, are governed by Rule 9014. That rule requires reasonable notice and opportunity to be heard. Although the plan contains language regarding assumption and rejection of leases, the procedure requested for assignment, assumption and sale is contained in the Motion and Disclosure Statement and not the plan. As is more fully stated below, this procedure falls short of providing a reasonable opportunity to be heard and violates LIT’s (not to mention the other landlords’) right to due process of law.

11. Due process consists of apprising interested parties of the pendency of an action and affording them the opportunity to present their objections. *In re Texaco, Inc.*, 254 B.R. 536, 561 (Bankr. S.D. N.Y. 2000) (citing *Mullane v. Central Hanover Bank & Trust Co.*, 399 U.S. 306, 314, 70 S. Ct. 692, 94 L. Ed. 865(1950)). Notice must be given in time for the aggrieved party to take meaningful action in response to the impending deprivation of rights. *Dinova v. Harris (In re Dinova)*, 212 B.R. 443 (2nd Cir B.A.P. 1997) (citing *Memphis Light, Gas & Water Division v. Craft*, 436 U.S. 113, 98 S. Ct. 1554, 1562, 56 L. Ed. 2d 30 (1978)).

12. With respect to the issues in this case, a notice must afford a reasonable time in which to respond. *American General Financial Services v. Bryan (In re Bryan)*, 357 B.R. 12, 20 (Bankr. S.D. N.Y. 2006). Notwithstanding the contradictory and confusing deadlines, if the deadline for notice of which unexpired leases will be assumed, assigned and sold is, in fact, the day before the confirmation hearing, that procedure violates LIT's and other landlords' right to due process. They cannot effectively conduct due diligence on a proposed assignee, determine whether the assignee/purchaser can meet the requirements of "adequate assurance of future performance", file an objection by 9:00 a.m. on the day after the notice (August 23, 2016) and be ready to argue the issue (perhaps with witnesses) by 11:00 a.m. that day. The procedure proffered by Debtors results in the taking of a landlord's property interest without providing due process. Consequently, LIT objects to this procedure for litigating assumption/assignment/sale of unexpired leases and requests that this court fashion an order that provides due process to landlords.

13. LIT joins in the objections of other parties to the extent that they are not inconsistent with this limited objection.

CONCLUSION

Wherefore, LIT-Northend, LLC respectfully requests that the Court deny the Motion that is the subject of this objection; require that the language noted above be clarified; that the procedure used for noticing assumption, assignment and sale be revised to provide due process; and grant this party any additional relief to which it may show itself entitled.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Howard C. Rubin, hereby certify that on July 21, 2016, I caused a true and correct copy of the above instrument to be sent via the Court's ECF System to all parties registered on same, or by first class mail, postage prepaid or e-mail, on the parties listed below.

/s/ Howard C. Rubin
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